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1. THE BRAZILIAN SITUATION
(Information as of 1700, 11 November)

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The coup of 11 November in Brazil which resulted in the ouster of Acting President Carlos Luz and his replacement by Senate vice president Nereu Ramos was launched by General Henrique Teixeira Lott apparently in order to forestall a move by other military leaders to prevent the inauguration of president-elect Juscelino Kubitschek and vice president-elect Joao Goulart. Lott, himself, had been dismissed as war minister by Luz on 10 November for insisting on disciplining one of the anti-Kubitschek officers.

Army troops loyal to Lott took over key positions in Rio de Janeiro early on 11 November, while the navy and air force declared their loyalty to Luz. Bad weather immobilized the 1,000-plane air force, but navy vessels in Rio harbor were apparently responsible for some shooting. Congress met in special session and after a brief, acrimonious debate approved the appointment of Ramos as acting president by better than a two-to-one majority in both houses.

There were some indications late in the day that the navy and air force might accept congress' decision. The extent of division in the army is still not known.

Ramos, who as vice president of the Senate was constitutionally next in the presidential succession, is generally regarded as personally ambitious. He is reported to be strongly pro-US and anti-Communist.

Lott had previously been adamantly opposed to any military intervention in political affairs. Although conditions in Brazil may be tense for some time, Lott will probably try to use his present position of power to assure the inauguration of Kubitschek and Goulart as scheduled on 31 January 1956.

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**2. AFGHANISTAN PREPARING NEW POLICY TOWARD
PAKISTAN BASED ON CLOSER TIES WITH USSR**

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Afghanistan will support its demands for independence for the Pushtoon areas of Pakistan with a more vigorous policy, according to Afghan finance minister Malik.

Malik indicated to an American embassy official on 8 November that Prime Minister Daud expects (1) to obtain public support of his Pushtoonistan policy from the Grand Assembly of the Tribes scheduled to convene on 14 November, (2) to eliminate Kabul's dependence on Pakistan by use of Soviet transit routes, and (3) to develop Afghanistan's military strength with Soviet bloc arms. Malik feels that Afghanistan could then press the Pushtoonistan issue from a "position of strength" and that Pakistan would negotiate in a "more reasonable frame of mind."

Comment

An increase in border incidents, the recent shipments to and from West Germany through the Soviet Union, and reported deliveries to Afghanistan of arms from the bloc suggest that Kabul is already embarked on this course and is prepared to risk reimposition of the Pakistani blockade.

Recent Egyptian and Saudi Arabian involvement with the Soviet bloc has minimized the possibility of successful Arab opposition to closer Afghan relations with the USSR. While Daud still faces some internal opposition, he appears strong enough to carry out the policy suggested by Malik.

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**5. LAO GOVERNMENT MAY START MILITARY CAMPAIGN
AGAINST PATHET LAO IN JANUARY**

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[REDACTED]

The Laotian government intends to retake the northern provinces from the Pathet Lao by force of arms if diplomatic methods are not success-

ful by January, according to the defense minister. He stated this in considerably more definite terms than Laotian leaders have used heretofore and asserted that royal forces could reoccupy the main portions of the two provinces within 15 to 30 days, provided the Viet Minh did not intervene in force.

The American ambassador comments that he believes this also represents the view and intention of Crown Prince Savang. The premier and foreign minister are less certain, but are tending in this direction as diplomatic efforts to reach agreement with Pathet leaders continue to prove futile.

Comment

Similar plans in the past have not been implemented, owing to disagreements within the government. Recently, however, there seems to be a growing trend toward agreement that forceful action is necessary.

The royal government has approximately 5,000 troops in isolated outposts in the provinces and would have difficulty in rapidly reinforcing them. The Viet Minh has 18,000 troops capable of quickly augmenting the 6,300-man Pathet Lao force.

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6. JAPANESE CONSERVATIVES AGREE ON FIRM STAND
TOWARD USSR AT LONDON TALKS

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[Redacted]

Prime Minister Hatoyama's Japan Democratic Party has swung behind the tough policy advocated by former prime minister Yoshida's Liberals for negotiations with the USSR in London. Leaders of these two conservative parties, who are negotiating a party merger, have agreed to demand repatriation of Japanese war prisoners prior to the signing of a peace treaty. Among the terms of the peace treaty would be the return of the southern Kurils and the calling of an international conference of the former Allied powers to dispose of the northern Kurils and South Sakhalin.

This policy decision represents a defeat for Hatoyama and his advisers who, along with the Socialists, have favored a quick resumption of diplomatic relations with the Soviet Union, with settlement of most outstanding questions deferred to a later date.

A merger of the conservative parties will be necessary if the Japanese are to maintain a firm position in the London talks when they are eventually resumed. Should the conservatives fail to merge, there is a good possibility that Hatoyama would move for a quick agreement with Moscow to bolster his political position in Japan, a possibility that might include his going to Moscow to conclude the settlement.

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THE ARAB-ISRAELI SITUATION
(Information as of 1700, 11 November)

The Arab-Israeli military fronts generally have been quiet since 8 November. Egypt's notification to all airlines that planes flying over the straits of Tiran (at the mouth of the Egyptian-blockaded Gulf of Aqaba) will be shot down without warning will provide Israel with a new basis to protest the Egyptian blockade of the Gulf of Aqaba. As the Israeli airline to South Africa has been using this route weekly, it must now adopt a circuitous route, cancel its flights, or risk an attack.

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According to a 10 November report from the American army attaché in Tel Aviv, Israeli demobilization of personnel and transportation equipment apparently assembled for the 2 November action in the El Auja area is continuing. Meanwhile, the Egyptians assert that they have reoccupied the positions at Sabha in the El Auja area. If true, this may provoke a new Israeli thrust.

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The week-long moderation in the Egyptian press attitude toward the US has in the past several days given way to increasingly vigorous attacks on US "sponsorship" and backing of Israel.

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Egyptian foreign minister Fawzi told Ambassador Byroade on 9 November that he had had satisfactory talks with Secretary General Hammarskjold and General Burns, but his statements indicate no essential change on the Egyptian position that both sides must withdraw entirely from the El Auja demilitarized zone, and that the entire zone, rather than only the Egyptian side, must be demarcated.

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Israeli foreign minister Sharett, arriving in the US to press for defensive arms, indicated to the press that he would undertake a two-week speaking tour to raise funds here for Israeli arms purchases. Sharett told the press that he had no favorable reaction from Molotov to his request that the USSR intervene in the Czech arms shipments to Egypt. Sharett said in reference to British foreign minister Eden's offer of British mediation in the Arab-Israeli dispute, that he was disconcerted by Eden's reference to a territorial compromise. Sharett said that those who believed that Israel would compromise any of its territory would be disappointed.

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As for press reports of a bilateral military pact between Lebanon and Syria, a high Lebanese Foreign Ministry source told the American chargé in Beirut that the draft agreement under consideration by Lebanon would merely formalize already existing arrangements. This confirms previous information regarding Lebanon's intention, and indicates that Lebanon is probably going through the motions of signing an innocuous agreement only to keep the Syrians happy.

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Egypt has signed a long-term trade agreement with East Germany which calls for exchange during the first year ranging from three million to six million Egyptian pounds (about \$8,000,000-\$17,000,000). The new agreement appears to amount merely to a renewal of the earlier trade pact.

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